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NEA FOR FRONT OFFICE. NSC FOR ABRAMS/SINGH/WATERS

E.O. 12958: DECL: 10/23/2017  
TAGS: [KWBG](#) [PBTS](#) [PREL](#) [PHUM](#) [IS](#)  
SUBJECT: HEAD OF SETTLER COUNCIL ON CONSTRUCTION PERMITS  
AND PERMANENT STATUS

Classified By: Consul General Jake Walles, per reasons 1.4 (b) and (d)

¶1. (C) Summary: Settler leader and Chairman of the Yesha Council Danny Dayan told Poloff on October 16 that Israeli Defense Minister Barak is "blackmailing" settlers by ceasing to issue permits for West Bank construction until there is an agreement on outposts. Dayan also told Poloff that he is pessimistic about the prospects for a permanent status agreement and says a Palestinian state is premature. He prefers to maintain the status quo, but acknowledges the possibility of evacuation of settlements. Dayan was appointed in August 2007 and is the Yesha Council's first secular Chair, perhaps representing a new effort by the settlement movement to generate broader support in Israel. End Summary.

No Change on the Ground  
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¶2. (C) In an October 16 meeting with Poloff, recently-elected Yesha Council chairman Danny Dayan accused Barak of "blackmailing" settlers by freezing permits for West Bank construction. He said existing construction projects are allowed to continue but the MOD will not issue new permits or, in some cases, honor previously issued permits until the Yesha Council supports removal of the 24 outposts erected since 2001. Dayan said "any outpost on private Palestinian land should be moved," but he insists the number is "less than 24" and that Yesha was not consulted prior to the GOI decision on outposts.

¶3. (C) On October 18, Peace Now's Hagit Ofran told Poloff that "although future planning is theoretically frozen, existing construction projects continue and on the ground, there is no change." She said that the Yesha Council is the official mouthpiece for West Bank settlers, but she doubts their leadership could deliver in negotiations with the MOD on outposts.

Political Options: Not Time for Permanent Status  
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¶4. (C) Dayan criticized plans for the Fall international meeting and doubted the prospects for implementation of any permanent status agreement. He said an agreement now will put Israel at risk, and an Israeli state based on 1967 borders will be entirely "indefensible."

¶5. (C) Dayan said "nobody knows" how settlers would react to a permanent status agreement, but he believes reactions would be varied, sporadic, and perhaps violent in the West Bank; it would not be the cohesive, non-violent reaction of settlers to 2005 Gaza disengagement. He acknowledged the possibility of an evacuation from West Bank settlements and

said only a minority of settlers would accept compensation. He said the Yesha Council is "too weak" to coordinate and control the settler response. Dayan pointed out that in contrast to the 7,000 removed from Gush Katif, there are potentially 100,000 settlers to be removed from the West Bank, and this population has a stronger spiritual attachment to the land (Judea and Samaria). He added that evacuating Hebron is "technically possible, but would destabilize the status quo, and Jews will return to Hebron even if it takes twenty years."

"We're mainstream people"

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16. (C) Dayan was appointed in August 2007 and is the Yesha Council's first secular chairman. Prior to 2005, Yesha was a confederation of West Bank settlement mayors, but the settlers criticized the Council of failing after Gaza disengagement and overhauled the organization. Dayan acknowledged that he was "not a natural choice" to lead the Yesha, but said he wants to meet Tony Blair, the Consul General, and the U.S. Ambassador to Israel to explain the settlers' perspective. He said he decided to live in Maale Shomron settlement near Nablus, "because it is the best thing for Israel" and described himself and other settlers as "mainstream people." (Comment: Dayan speaks excellent English and presents himself as a secular, business-minded interlocutor. His appointment as chairman of the Yesha Council is part of an attempt by settlers to rebrand their movement as "mainstream" and to distance themselves from more hard-line spokesmen such as Hebron's David Wilder. End Comment)

WALLES